Alabama Department of Revenue

General Summary of State Taxes



2004
Reflects Legislatives Changes
by the 2004 Regular Session
of the Alabama Legislature

Alabama Department of Revenue General Summary of State Taxes

Introduction

The General Summary of State Taxes is published for the purpose of offering a concise handbook of the revenue sources for the state of Alabama. The taxes are outlined with the authority, basis, rate, exemption, payment, distribution, and changes through the 2004 regular session of the Alabama Legislature.

The publication also features information detailing the organizational structure of the department and the locations of the department's nine taxpayer service centers. Agency directories for tax numbers, annual and monthly Department of Revenue tax calendars, and a Department of Revenue tax distribution chart are also included.

In addition to the state taxes described in this handbook, counties and municipalities may also levy taxes. Local tax sources include the following: property, cigarette, tobacco products, sales and use, occupation, and gasoline and motor fuel. In certain instances, the state may collect taxes for the local government, but those revenues are not reported in state collection data.

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Electronic Filing

The department is participating with the Internal Revenue Service in the Federal/State Electronic filing program. Starting January 1998, the department began accepting electronic filing of resident individual income tax returns.

Electronic Funds Transfer Tax Payment Program

Sections 41-1-20 through 41-1-23 of the **Code of Alabama 1975**, require that certain business taxes be paid by electronic transfer of funds from the taxpayer's bank to the state treasury's bank.

The Alabama Electronic Funds Transfer (EFT) Tax Payment Program only applies to those taxpayers who make individual or single tax payments which exceed the threshold amount established by section 41-1-20

Using past payment history, the department provides notification and instructions to those taxpayers who qualify for the program.

Transactions under the new system do not include checks, drafts, or similar paper instruments, but instead consist of electronic transmission of payments. Funds are made immediately available by the taxpayer to the state treasury on the due date of payment. This procedure ensures immediate availability of state assets.

Call 1-800-322-4106 for additional information about the EFT program.

Electronic Filing for Sales Tax

The following tax returns are required to be filed electronically: State Sales Tax; Sellers Use Tax; Consumers Use Tax; Rental or Leasing Tax; Lodgings Tax; and State Administered Local Sales, Sellers Use, Consumers Use, Rental or Leasing, and Lodgings Taxes. The following tax types are also required to be filed electronically: State Utility Tax; Mobile Communication Tax; Contractors Gross Receipts; Pharmaceutical Providers Tax; Alabama Nursing Home Privilege Tax; and Direct Pay Sales Tax (formerly Reg A and Reg M).

For more information call 334-242-1490.

Information Services

The department has a web site providing free access to selected state tax information. The address of the web site is **www.ador.state.al.us**.

Income Tax Refund Hot Line

Taxpayers may call the department's new automated Income Tax Refund Hot Line to inquire about the status of their refund. The number is 334-353-2540. Be sure to have a copy of your tax return at hand for reference.

Taxpayers' Bill of Rights and Uniform Revenue Procedures Act

Section 40-2A-1 et. seq., **Code of Alabama 1975** guarantees taxpayers certain rights to uniform application and due process of Alabama's tax laws. It integrates, in a logical sequence, all the procedures and provisions into one chapter.

Directory

Alabama Department of Revenue Gordon-Persons-Building-- 50 N. Ripley Street Montgomery, Alabama 36132

Commissioner

G. Thomas (Tom) Surtees Rm. 4112 Gordon Persons Bldg. 334-242-1175

Assistant Commissioner

Cynthia Underwood Rm. 4112 Gordon Persons Bldg. 334-242-1175

Department Secretary/ Disclosure Officer

Lewis A. Easterly III Rm. 4112 Gordon Persons Bldg. 334-242-1175

Administrative Law Judge

William L. Thompson Rm. 4118 Gordon Persons Bldg. 334-242-1075

Economic Development

George C. Howell Jr., Director Rm. 4112 Gordon Persons Bldg. 334-242-1175

Legal Division

Henry Chappell, Chief Counsel Rm. 3114 Gordon Persons Bldg. 334-242-9690

Recordation Taxes (Mortgage, Deed and Mineral Documentary)

Investigations Division

Charles E. Crumbley, Director 1021 Madison Avenue 334-242-3012

Illegal Drug Tax Special Investigations

Taxpayer Advocate

William (Bill) Morrison, Director Rm. 4116 Gordon Persons Bldg. 334-242-1055

Tax Policy

Michael E. Mason, CPA, Director Rm. 4112 Gordon Persons Bldg. 334-242-1175

Administrative and Support Divisions

Information Technology Division

A.M. (Mickey) Franklin, Jr., Director Rm. 1115 Gordon Persons Bldg. 334-242-8500

Human Resources Division

Charlie M. Lassiter, Director Rm. 4102 Gordon Persons Bldg. 334-242-1670

Research Division

John H. Mann, Director Rm. 4131 Gordon Persons Bldg. 334-242-1380

Tax Divisions

Collection Services Division

Dwight Pridgen, Director Joan Crumbley, Assistant Director Rm. 3143 Gordon Persons Bldg. 334-242-1220

Final Assessment Collection Executions Garnishments 100% Penalty Assessments Seizures Delinquent Trust Fund Tax Collection

Motor Vehicle Division

Terry Lane, Director Johnny Newman, Assistant Director Rm. 1216 Gordon Persons Bldg. 334-242-9000

International Fuel Tax Agreement International Registration Plan Mandatory Liability Insurance Motor Vehicle License Plates Vehicle Registration Fees Title & Antitheft Section

Individual & Corporate Tax Division

Richard Henninger, Director <u>Tax Administration</u> Ed Cutter, Assistant Director Rm. 4203 Gordon Persons Bldg. 334-242-4575

334-353-2540 Refund Hot Line

Agents' Occupational License
Estate Tax
Fiduciary Income Tax
Financial Institutions' Excise Tax
Income Tax Withholding
Individual Income Tax
Partnership Returns
Business Privilege Tax
Corporate Income Tax

Field Operations Louis Mills, Assistant Director Rm. 4340 Gordon Persons Bldg. 334-353-0170

Property Tax Division

Bill Bass, Director Rm. 4103 Gordon Persons Bldg. 334-242-1525

Property Tax
Deeds & Assignments
Delinquent Tax Sale Property
Freight Line Equipment Tax
Manufactured Home Registrations
Motor Vehicle Valuation Manual
Personal Property Valuation
Real Property Valuation
Public Utility Assessments

Sales, Use & Business Tax Division

Joseph W. Cowen, Director

Sales and Use Tax Administration
Dan Bass, Assistant Director
Rm. 4303
Gordon Persons Bldg.
334-242-1490
Sales and Use Tax Section
Pettus Strong, Manager
Rm. 4303
Gordon Persons Bldg.
334-242-1490

Casual Sales & Use Tax
(Automobiles, Boats)
City & County Sales & Use Tax
Contractors' Gross Receipts Tax
Dry Cleaning Environmental
Response Trust Fund Fee
Hydroelectric KWH Tax
Leasing or Rental Tax
Lodgings Tax
Medicaid Nursing Facility Tax
Medicaid Pharmaceutical Providers
Tax

Mobile Communications Services Tax Sales Tax

Use Tax

Utility Gross Receipts Tax Utility License Tax (2.2%)

Field Operations

Brenda Luloff, Manager

Rm. 3140

Gordon Persons Bldg.

334-242-1270

Business Tax Administration

Janet Stathopoulos, Assistant Director

Rm. 3311

Gordon Persons Bldg.

334-242-9600

Business and License Tax Section

Curtis Stewart, Manager

Rm. 3311

Gordon Persons Bldg.

334-242-9600

Assessments

Automotive Dismantlers &

Parts Recyclers

Aviation Fuel Tax

Business Privilege License

Coal Severance Tax

Forest Products' Severance

Gasoline Tax

Gasoline Tax Refunds

Hazardous Waste Fee

Iron Ore Severance Tax

Local Solid Minerals Severance Taxes

Lubricating Oils Tax

Motor Carrier Mileage Tax

Motor Fuel Tax

Motor Vehicle Dealers.

Reconditioners,

Rebuilders & Wholesalers

Oil & Gas Privilege Tax

Oil & Gas Production Tax

Pari-Mutuel Pool Tax

Playing Card Tax

Scrap Tire Fee

State Horse Wagering Fee

Store & Chain Store License

Tobacco Tax

Underground and Aboveground Storage Tank Trust Fund Charge Wholesale Oil License

Field Audit Section

Randy Winkler, Manager

Rm. 3307

Gordon Persons Bldg.

334-242-9630

Taxpayer Service Centers				
Auburn/Opelika	3300 Skyway Drive P.O. Box 2929 Auburn 36831-2929	334-887-9549 (fax) 887-9885		
Birmingham	2024 3rd Avenue North. P.O. Box 10128 35202-0128	205-323-6387 (fax) 324-0410		
Dothan	344 North Oates Street P.O. Box 5739 36302-5739	334-793-5803 (fax) 793-1488		
Gadsden	235 College Street P.O. Box 1190 35902-1190	256-547-0554 (fax) 547-6922		
Huntsville	994 Explorer Blvd. P.O. Box 11487 35814-1487	256-922-1082 (fax) 922-9372		
Mobile	857 Downtowner Blvd., Suite E P.O. Drawer 160406 36616-1406	251-344-4737 (fax) 342-2054		
Montgomery	1021 Madison Avenue P.O. Box 327490 36132-7490	334-242-2677 (fax) 265-9887		
Muscle Shoals	3005 South Wilson Dam Hwy. P.O. Box 3148 35662-3148	256-383-4631 (fax) 381-7200		
Tuscaloosa	518 19th Avenue P.O. Box 2467 35403-2467	205-759-2571 (fax) 349-3780		

Alabama Department of Revenue Taxpayer Service Centers



Agents' Occupational License Tax

Authority Amendment 154 of the Constitution of Alabama.

Basis A foreign corporation whose only business in Alabama

is to take and hold mortgages on real property within the state is permitted to do so without qualifying as a foreign

corporation.

Rate Broker, custodian, or agent, pay \$100 for the first year for

each foreign corporation represented and \$5 annually

thereafter.

Payment File Form FT 6-2 with the Alabama Department of Revenue,

Individual and Corporate Tax Division, prior to engaging in

loan activity.

Distribution General Fund

Alabama Uniform Severance Tax

Authority Act 04-629 (Effective Oct. 1, 2004)

Basis Severing natural minerals in any county of the state for sale

and use as tangible personal property. The levy's primary purpose is to compensate counties for use of roads and

infrastructure.

Rate \$.10 per ton.

\$.25 per ton (Coosa County)

Exemption Minerals used for agricultural purposes, pollution

control/abatement, producing portland cement, certain manufucturing or processing purposes, and coal, oil and

natural gas.

Counties may opt out, as desired, and establish own levies.

Payment Tax collected at sale or delivery by producer from the

purchaser and remitted to the Alabama Department of Revenue, Sales, Use, and Business Tax Division not later than the 20th day of the month following the month of

transaction.

Distribution To counties severed.

Alcoholic Beverage Control Revenues

Authority Sections 28-3-43; 28-3-183 through 28-3-205; and 28-7-16,

Code of Alabama 1975.

Basis Sale of alcoholic beverages, also the license and filing

fees required of distillers, manufacturers, wholesalers, and

retailers.

Rate Beer 5 cents per 12 fluid ounces or

fraction thereof.

Local beer taxes 1.625 cents per 4 fluid ounces or

fraction thereof.

Liquors & fortified 56% of cost marked up price.

Table wine 45 cents / liter

(state – 38 cents; local – 7 cents).

Annual license & Rates based on activity and, in some

application fees cases, population base.

Note: 4% sales tax also applies at time of consumer market

purchase and 2% sales tax for the ABC store

purchase.

Payment Paid to Alcoholic Beverage Control Board.

Beer excise taxes are paid by wholesaler based on receipts.

Taxes on liquor and wine sold through state-operated stores

are paid by consumer at time of purchase.

Taxes on table wines sold in retail establishments are paid by

wholesaler and added to the retail price.

License and application fees paid annually by October 1.

Obtain forms from ABC Board.

Automotive Dismantlers and Parts Recyclers

Authority Sections 40-12-410 through 40-12-425, Code of Alabama 1975.

19/5

Basis Engaging in the business of purchasing and dismantling wrecked, abandoned, or reparable motor vehicles to sell as a unit at wholesale, or to sell usable parts, or the hulk of the motor vehicle after salvageable parts have been removed.

A person is presumed to be engaged in the dismantling and/or parts recycling business if he possesses ten or more

inoperable vehicles for more than 30 days.

License \$225 annually. Rate

Payment File application, provide applicable bond, and remit fee to

the Alabama Department of Revenue, Sales, Use & Business

Tax Division, Severance, and License Section, by October 1.

Distribution General Fund

Aviation Fuel Tax

Section 40-17-31(d), Code of Alabama 1975. Authority

Basis Fuel used to propel powered aircraft.

Rate Aviation gasoline \$.027 per gallon

> Jet fuel \$.009 per gallon

The commissioner of revenue adjusts rates annually in increments of \$.003 per gallon for reciprocating fuel and \$.001 per gallon for jet fuel to maintain net collections at

\$600,000 annually.

Payment Paid by 20th of month following month of transaction to the

Alabama Department of Revenue, Sales, Use & Business Tax

Division, Motor Fuels Section.

Distribution Department of Transportation

Business Privilege License

Authority Sections 40-12-1 through 40-12-180, Code of Alabama 1975.

Basis Engaging in certain businesses, professions, or occupations

within Alabama as specified in the Code of Alabama 1975.

Rate Rates vary, generally based on the population of the munici-

> pality in which the business is located. In some cases the license fee depends on the amount of capital invested; in others, the gross amount of orders or contracts accepted; or other conditions stipulated by the Code of Alabama 1975.

Payment No tax returns are filed.

> Unless otherwise specified, privilege license fees are due and payable by October 1 and delinquent on November 1.

Licenses are issued by the county-issuing authority at the courthouse in the county in which the business, profession,

or occupation is conducted.

Other Businesses, vocations, and occupations may also be subject

to municipal licensing requirements which vary from city to city. Municipal licenses are issued and administered by the

municipalities.

Distribution 50% – General Fund, unless otherwise stated

50% - County general fund where collected

Business Privilege Tax

Authority Sections 40-14A-21 through 40-14A-29, Code of Alabama

1975.

Basis The tax is calculated on net worth plus additions, minus

exclusions, times the apportionment factor, less the

deductions, equals taxable net worth.

Rate The rate is based on the ability to pay and is determined by the entity's federal taxable income in Alabama. The rate ranges from \$.25 to \$1.75 for each \$1000 of net worth in

Alabama.

\$2,500,000

 If income apportioned and allocated to Alabama is: at least

 at least
 but less than
 The tax rate shall be

 \$1
 \$0.25 per \$1,000

 \$1
 \$200,000
 \$1.00 per \$1,000

 \$200,000
 \$500,000
 \$1.25 per \$1,000

 \$500,000
 \$2,500,000
 \$1.50 per \$1,000

Payment

The Business Privilege Tax accrues as of January 1 of every taxable year; or in the case of a taxpayer organized, incorporated, qualified, or registered during the year, or doing business in Alabama for the first time, as of the date the taxpayer qualifies to do business, or begins to do business, in Alabama.

Minimum privilege tax is \$100.

Maximum privilege tax is \$15,250 for the 2000 tax year and \$15,000 for all years after 2000, unless otherwise stated.

\$1.75 per \$1.000

The Maximum privilege tax for financial institutions and insurance companies is:

\$3,000,000 for all tax years. For the 2000 tax year the maximum privilege tax for public utilities is \$3,000,000, and for Real Estate Investment Trusts

is \$500,000.

An Electing Family Limited Liability Entity owes a \$500 business privilege tax

The Business Privilege Tax is filed on Form PPT for pass through entities and on Form CPT for all others. Payment is to be made to the Alabama Department of Revenue, Individual and Corporate Tax Division by March 15 for Form CPT and April 15 for Form PPT. The initial return is due 30 days after organization, incorporation, registration, qualification for beginning to do business.

Distribution

A portion of the privilege tax will be distributed to each county and the remainder will be distributed to the General Fund.

Charter (Filing) Fee

Authority Sections 10-2B-1.22 and 10-3A-200, Code of Alabama 1975.

Basis Persons incorporating in this state for the purpose of

conducting business.

Rate \$85 for profit corporations.

\$45 for non-profit corporations.

Payment Paid one time to the probate judge of the county in which

business is incorporated.

Distribution Profit Corporations:

\$50 – Secretary of State Corporations Fund (\$40 Secretary of State; \$10 name registration);

\$35 – Probate judge of the county in which the business is incorporated.

Non-profit Corporations:

\$20 – Secretary of State Corporations Fund (Secretary of State):

\$25 – Probate judge of the county in which the business is incorporated.

Coal Severance Tax

Authority Sections 40-13-1 through 40-13-10 and 40-13-30 through 40-

13-36, Code of Alabama 1975.

Basis Severing coal within state.

Rate \$.135 per ton; levied under 40-13-2

.20 per ton; levied under 40-13-31

\$.335 total per ton severed.

Payment File with the Alabama Department of Revenue, Sales, Use

& Business Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the

previous month's operations.

Distribution Section 40-13-5 and 40-13-6, **Code of Alabama 1975**.

The \$.135 per ton levy is first obligated to the State Docks Bulk Handling Facility Trust Fund, for the servicing of bonds

issued for dock construction.

Monies remaining after payment of servicing the State Dock's bonds, or any anticipated deficiencies in operating the docks for the current fiscal year, shall be distributed as follows:

\$300,000 – Alabama Mining Academy \$500,000 – Jefferson County General Fund \$500,000 – Tuscaloosa County General Fund

\$200,000 - Walker County Economic and Industrial

Development Authority

Remainder - General Fund

Section 40-13-32, Code of Alabama 1975.

The \$.20 per ton levy is distributed to the counties and municipalities where the coal is severed.

Contractors' Gross Receipts Tax

Authority Section 40-23-50, Code of Alabama 1975.

Basis Engaging in the business of contracting to construct,

reconstruct or build any public highway, road, bridge, or

street within the state.

Rate 5% of gross receipts.

Payment File and remit tax by the 20th of each month with the

Alabama Department of Revenue, Sales, Use & Business Tax

Division, for the previous month's receipts.

Distribution 85% – Special Mental Health Fund

15% - Pensions and Security Trust Fund

Corporate Income Tax

Authority Sections 40-18-1 through 40-18-59 and 40-18-160 through

40-18-176, Code of Alabama 1975.

Basis Corporations – Net taxable income from business within the

state.

Alabama income is determined by a three-factor apportionment formula (property, payroll, and sales).

Rate 6.5% of annual net income with a deduction allowed for

federal income tax paid or accrued.

Payment Return and tax are due by March 15, or the 15th day of the

third month after the end of fiscal year.

Corporations with an anticipated tax liability of \$5,000 or more shall file and pay estimates on a quarterly basis by April 15, or by the 15th day of the fourth month of the fiscal year.

The second, third, and fourth installments are due and payable on the 15th day of the sixth, ninth, and twelfth months of the fiscal year.

Quarterly estimates and payments shall equal at least 100% of the estimated tax.

Corporations file Form 20C with the Alabama Department of Revenue, Individual and Corporate Tax Division.

S corporation: Any corporation filing as a federal S corporation must file as an Alabama S corporation. Use Form 20S. Return and any tax due should be remitted on or before the 15th day of third month following close of accounting period. Any S corporation with nonresident shareholders who have not executed a Nonresident Agreement must pay the nonresident shareholders' tax. Use Form 20SC. Form and any tax due should be remitted on or before the 15th day of the third month following close of S corporation accounting period. File with the Alabama Department of Revenue, Individual and Corporate Tax Division.

Distribution Education Trust Fund

Deeds and Assignments

Authority Sections 40-10-1 through 40-10-143, Code of Alabama 1975.

(Sale of real property because of property tax delinquency.)

Basis Voluntary payment by interested parties upon their purchase

of the state's (which included the delinquent tax of all jurisdictions, plus all fees, interest, etc.) interest in real property which was acquired pursuant to judicial sale for

non-payment of property tax.

Rate Sale amount is the accumulated delinquent tax (on the same

basis as general property taxes), fees, and costs incurred in the sale to the state and interest on the taxes, fees, and costs

at 12% per year from the date of delinquency.

Payment Applications to purchase the state's interest in tax-

delinquent property are accepted by the State Land Agent in the Property Tax Division. The applicant is then quoted the amount necessary to acquire the state's interest. Upon remittance of the appropriate amount, the purchaser will either be assigned the Certificate of Sale held by the state, or be given a tax deed to the property, depending on whether

the administrative redemption period has expired.

Distribution All property taxing jurisdictions receive their proportional

share of the taxes and interest on the taxes. Fees, and interest on the fees, are received by the official who levied the fee. Costs, and interest on the costs, are deposited in

the General Fund.

Dry Cleaning Environmental Response Trust Fund Fee

Authority Section 22-30D-6, Code of Alabama 1975.

Basis Voluntary payment by dry cleaning owners or operators,

wholesale distributors selling dry cleaning agents, owners of abandoned dry cleaning facilities, and impacted third parties to a trust fund benefiting a dry cleaning industry self-insurance program to cover the costs of investigating,

assessing and remediating dry cleaning contamination.

Rate Dry cleaning owners or operators, annual registration fee

equal to 2% of the gross receipts earned in the state during the prior calendar year, not to exceed a total of \$25,000 per

year.

Wholesale distributors, annual registration fee of \$5,000.

Abandoned dry cleaning facility owners and impacted third parties, registration fee equal to \$5,000 per year per site.

Payment

Dry cleaning owners or operators – File return and annual fee quarterly on April 1, July 1, October 1, and January 1, becoming delinquent on the 20th day of each said month.

Wholesale distributors — Return and annual fee due April 1, becoming delinquent on the 20th day of April.

Abandoned dry cleaning facility owners and impacted third parties - Return and annual fee due prior to receipt of any payment from the Alabama Dry Cleaning Environmental Response Trust Fund.

Distribution

Alabama Dry Cleaning Environmental Response Trust Fund.

Estate Tax

Authority

Sections 40-15-1 through 40-15-21, Code of Alabama 1975.

Basis

Transfer of property passing by will, devise, or intestate law (at time of death).

Rate

Tax due equal to the maximum state death tax credit allowed upon the federal estate tax, computed on the following chart.

For decedents who died between December 31, 2003, and January 1, 2005, this computation is reduced by 75% to arrive at the allowable credit that is paid as Alabama Estate Tax. The difference in the amount reverts back as federal Estate Tax.

Taxable EstateAfter Deducting \$60,000 Exemption

If Taxable from Estate is:

From	То	the Tax	is +	%	of the Excess Over
\$ 0	\$ 40,000	\$ 0	0.	0	\$ 0
40,001	90,000	0	0.	8	40,000
90,001	140,000	400	1.	6	90,000
140,001	240,000	1,200	2.	4	140,000
240,001	440,000	3,600	3.	2	240,000
440,001	640,000	10,000	4.	0	440,000
640,001	840,000	18,000	4.	8	640,000
840,001	1,040,000	27,600	5.	6	840,000
1,040,001	1,540,000	38,800	6.	4	1,040,000
1,540,001	2,040,000	70,800	7.	2	1,540,000
2,040,001	2,540,000	106,800	8.	0	2,040,000
2,540,001	3,040,000	146,800	8.	8	2,540,000
3,040,001	3,540,000	190,800	9.	6	3,040,000
3,540,001	4,040,000	238,000	10.	4	3,540,000
4,040,001	5,040,000	290,800	11.	2	4,040,000

5,040,001	6,040,000	402,800	12.0	5,040,000
6,040,001	7,040,000	522,800	12.8	6,040,000
7,040,001	8,040,000	650,800	13.6	7,040,000
8,040,001	9,040,000	786,800	14.4	8,040,000
9,040,001	10,040,000	930,800	15.2	9,040,000
10,040,001		1,082,800	16.0	10,040,000

Payment File copies of federal estate tax returns within nine months

following decedent's death with the Alabama Department of Revenue, Individual and Corporate Tax Division. Tax is reduced proportionately for real property outside the state.

Distribution General Fund

Fiduciary Income Tax

Authority Section 40-18-25, Code of Alabama 1975.

Basis Taxable net income earned from all sources by resident

estates or trusts. Income with business situs in Alabama, or from real property located in Alabama by non-resident trusts

and estates.

Rate When adjusted gross income is \$1,500 or more; 2% on the

first \$500 of taxable income, 4% on the next \$2,500, and 5%

on all over \$3,000.

Payment Returns filed with Alabama Department of Revenue,

Individual and Corporate Tax Division, by April 15, except when filed on fiscal year basis which are due 105 days after the close of the fiscal year. Estimated payments are not

required by law.

Exemptions Exemption credit of \$1,500 on net income.

Distribution Education Trust Fund

Financial Institutions' Excise Tax

Authority Sections 40-16-1 through 40-16-8, **Code of Alabama 1975**.

Basis Excise tax measured by net income of bank, banking

association, trust company, credit card company, building, and loan association, industrial, or other loan company doing business in Alabama. For tax years beginning after December 31, 1999, multistate corporations shall allocate

and apportion income to the state of Alabama.

Rate 6.5% of taxable net income.

The excess of the tax levied by this chapter computed using a rate of 6 1/2% and the tax computed using a rate of 6%

shall be deposited in the General Fund.

Payment File Form ET-1 with the Alabama Department of Revenue,

Individual and Corporate Tax Section, by April 15.

Distribution 25% – General Fund

25% – Counties of origin50% – Cities of origin

Forest Products' Severance Tax

Authority Sections 9-13-80 through 9-13-107, Code of Alabama 1975.

Basis Severing timber or other forest products for sale, profit, or

commercial use.

Rate Pine lumber \$.50/1000' bd. meas.

Pine logs \$.75/1000' log scale or \$.10/ton

Hardwood lumber \$.30/1000' bd. meas.

Hardwood logs \$.50/1000' log scale or \$.065/ton

Pulpwood, chemical

wood, bolts \$.25/cord or \$.10/ton

Crossties \$.015/piece or \$.15/ton

Switch ties \$.025/piece or \$.17/ton

Mine ties and

coal mine props \$.125/100 pcs. or \$.15/ton

Pine ore mine props \$.75/1000 log scale or \$.15/ton

Hardwood ore \$.50/1000 log scale, \$3.125/m lineal

mine props ft. or \$.15/ton

Piling and poles \$1.875/1000' bd. measure or \$.205/

ton

Turpentine (crude gum) \$.15/400 lb. bbl.

Stumpwood (tarwood) \$.125/ton

Pulpwood chips \$.25/cord of 5,000 lbs. or \$.10/ton

There is also a privilege tax of 50% of the severance tax above, against processors of forest products and

manufacturers using forest products.

Payment File with the Alabama Department of Revenue, Sales, Use

& Business Tax Division, Severance and License Section, within 30 days after the expiration of each quarterly period

during the calendar year.

Distribution State Forestry Commission – Special State Forestry Fund.

Freight Line Equipment Companies Tax

Authority Section 40-21-52, Code of Alabama 1975, as limited by U.S.

Congress Railroad Revitalization and Regulatory Reform Act.

Basis Reasonable value (allocated on a mileage basis) of private

railroad cars operated, rented, or leased in this state for the

transportation of freight.

3-1/2% of 20% of the market value of the number of cars Rate

within the state during the preceding fiscal year.

File Form U3-1 with the Alabama Department of Revenue, **Payment**

Property Tax Division, Utilities Section, by March 1. Tax liability established by the Property Tax Division and payable

within 30 days of prescribed date, unless appealed by

taxpayer.

Distribution General Fund

Gasoline and Motor Fuel Taxes

Authority Sections 40-12-190 through 40-12-206; 40-17-1 through 40-

17-22; 40-17-30 through 40-17-82; 40-17-220 through 40-17-225, 40-17-240; and 40-17-250; 40-17-290; and 40-17-291;

Code of Alabama 1975.

Sale, consumption, distribution, storing, or withdrawing Basis

from storage gasoline or motor fuel.

Rate Gasoline: Sec. 40-17-31 \$.12 per gal.

> Sec. 40-17-220 \$.04 per gal.

> > \$.16 per gal. total

Motor Fuel: Sec. 40-17-2 \$.13 per gal.

(Diesel) \$.04 per gal. Sec. 40-17-220

> Act 04-546 (Offroad not \$.02 per gal.

subject to Act 04-546)

\$.19 per gal. total

Exemptions Section 40-17-240 exempts all Class I municipalities (Birmingham) from the payment of any oil, gasoline, or

diesel fuel taxes.

In addition, Section 40-17-250 exempts all Class II (Mobile) municipalities from the payment of any oil, gasoline, or diesel fuel taxes. Mobile is the only qualifying Class II

municipality.

Dyed motor fuel (diesel) is specifically exempt from the

motor fuel levy.

Gasoline and motor fuel used for the following are exempt from levies under Sections 40-17-220 and 40-17-240:

Gasoline

- U. S. Government
- to propel certain aircraft, ships, vessels, barges, railroad locomotive & railroad equipment
- for agricultural purposes
- sales to governing bodies of counties and incorporated municipalities
- off-road vehicles not required to be licensed by the state
- sales to city and county boards of education
- sales to private and church schools as defined under Section 16-28-1
- Alabama Institute for Deaf and Blind
- · Department of Youth Services school district

Motor Fuel

- U. S. Government
- aircraft powered by jet or turbine engines
- governing bodies of counties and incorporated municipalities
- · city and county boards of education
- Alabama Institute for Deaf and Blind, Department of Youth Services and private and church schools
- kerosene sold for lighting and heating purposes
- motor fuel sold from one Alabama licensed distributor to another Alabama licensed distributor
- motor fuel exported by a licensed distributor
- motor fuel sold for off-road agricultural purposes on a farm (only if dyed motor fuel is unavailable)

Gasoline used for the following is exempt from the \$.12 levy under Section 40-17-31:

- U. S. Government
- · city and county boards of education
- propel aircraft

- governing bodies of counties and incorporated municipalities
- Alabama Institute for Deaf and Blind
- · Department of Youth Services school district
- private and church schools defined under Section 16-28-1

Motor Fuels used for the following are exempt from the \$.13 levy under Section 40-17-2:

- U.S. Government
- aircraft powered by jet or turbine engine
- governing bodies of counties and incorporated municipalities
- city and county boards of education
- Alabama Institute for Deaf and Blind, Department of Youth services and private and church schools
- kerosene sold for lighting and heating purposes
- motor fuel sold from one Alabama licensed distributor to another Alabama licensed distributor
- · motor fuel exported by a licensed distributor
- motor fuel sold for off-road agricultural purposes on a farm (only if dyed motor fuel is unavailable)

Other

Certain counties and cities levy additional gasoline and motor fuels taxes ranging from \$.005 to \$.05 per gallon.

Payment

File and remit by the 20th day of the month following the month of sale or other activity to the Alabama Department of Revenue, Sales, Use & Business Tax Division, Motor Fuels Section.

Distribution

Gasoline – 1.23% of the \$.12 levy goes to the Conservation Department.

.35% of 1% of the \$.12 levy is credited to the Water Safety Fund and the Seafood Fund.

.70% of 1% of the \$.12 levy is credited to the Game and Fish Fund.

.18% of 1% of the \$.12 levy is credited to the Water Safety Fund and the Seafood Fund.

60% of the \$.05 supplemental tax goes to the State Road and Bridge Fund. 40% is distributed according to the 45%/55% pattern below.

The balance of the \$.12 levy and the entire \$.04 gasoline levy are distributed as follows:

- (1) 45% to the State Road & Bridge Fund. The distrubutions to the Game and Fish Fund (.70%) and the distributions to the Water Safety Fund and the Seafood Fund (.18%) are deducted from the State Road and Bridge Fund.
- (2) 55% to be shared by the counties and their municipalities as follows:
 - (a) 25% of the net tax proceeds is distributed equally to the 67 counties;
 - (b) 30% of the net tax proceeds is allocated to the 67 counties based on population.
 - 10% of the counties' share received shall be allocated to each municipality therein, based on a population ratio.
 - 2. Remaining portion to the county.

Motor Fuels – The \$.13 and \$.06 levies are distributed as follows:

4.69% of net collections is distributed equally among each of the 67 counties of the state monthly.

.93% of net collections is allocated amont the incorporated municipalities of the state and distributed as provided in Section 8-17-91(a)(2)c.

Balance paid to the State Treasury to be used for highway purposes by the State Department of Transportation.

Hazardous Waste Fee

Authority Sections 22-30B-1 through 22-30B-18, Code of Alabama 1975.

BasisFee on operators of commercial sites for the disposal of hazardous waste or hazardous substance for each ton of waste or substance received for disposal at such sites.

Rate \$ 41.60/ton Waste listed under Section 3001 of the RCRA of 1976 as amended and "PCR" waste

\$103.60/ton Acute hazardous waste listed in 40 CFR 261.33(e) and having a EPA hazardous waste number designation beginning with letter "P"

\$ 66.60/ton Toxic hazardous waste listed in 40 CFR 261.33(f) and having a waste number

designation beginning with letter "U"

\$ 11.60/ton All other waste

\$ 1.00/ton Additional fee on all wastes or substances

In addition to the above fees, \$2.40 per ton is collected by counties with hazardous waste facilities. Sumter County also levies \$2.00 per drum or \$5.00 per ton on waste disposed of at the Emelle disposal facility.

Distribution

Fee	County	State	
\$ 41.60 / t	\$0.65 / t	\$ 40.95 / t	\$500,000 General Fund and ALERT Fund
103.60 / t	2.20 / t	101.40 / t	General Fund
66.60 / t	1.275 / t	65.325 / t	General Fund
11.60 / t			General Fund
1.00 / t			Hazardous Waste Substance Cleanup Fund

Payment

State Fee – File and remit to the Alabama Department of Revenue, Sales, Use & Business Tax Division, Tobacco Tax Section. Payment is due by the 30th of the month following receipt of hazardous waste or substance for disposal.

County Fee – File and/or remit the county fees to the county in which the site is located.

Hydroelectric KWH Tax

Authority Section 40-21-56, Code of Alabama 1975.

Basis Privilege tax on the manufacture and sale of hydroelectric

power within Alabama.

Rate 2/5 mill on each kilowatt hour of hydroelectric power

manufactured and sold.

Payment Pay by September 25 on power sold during prior calendar

year. File Form FT 5-24 with the Alabama Department of

Revenue, Sales, Use & Business Tax Division.

Distribution 58% – Special Mental Health Fund

42% - Education Trust Fund

Illegal Drug Tax

Authority Sections 40-17A-1 through 40-17A-16, Code of Alabama

1975.

Basis Excise tax on illegal possession, distribution, sales, use,

and other transactions involving certain drugs or controlled

substances.

Rate	COST PER STAMP

Marijuana	Controlled Substance
	by Weight
\$ 3.50	\$ 200
17.50	1,000
35.00	2,000
70.00	4,000
	\$ 3.50 17.50 35.00

COST PER STAMP

Dosage Units	Controlled Substance Not by Weight
50	\$ 2,000
100	4,000
500	20,000
1 000	40 000

Payment

Forms for the purchase of stamps may be obtained from any Alabama Department of Revenue Taxpayer Service Center.

Stamps may be obtained from the Investigations Division

located in Montgomery.

Mail orders: R.I.D.S.

1021 Madison Avenue Montgomery, AL 36132

Distribution General Fund

Income Tax Withholding

Authority Sections 40-18-70 through 40-18-91, Code of Alabama 1975.

This a component of Individual Income Tax.

Basis Wages as defined under laws of the United States in effect

July 1, 1982, reduced by optional standard deduction provided by Section 40-18-15, **Code of Alabama 1975**, federal income tax liability, and personal exemption granted

under Section 40-18-19.

Rate Persons claiming single or zero exemption: 2% on first \$500

of taxable wages, 4% on next \$2500, and 5% on all over

\$3,000.

Persons claiming married exemption: 2% on first \$1,000 of taxable wages, 4% on next \$5,000, and 5% on all over

\$6,000.

Payment All employers file Form A-1 by the last day of month

following close of each quarter.

Employers who withhold \$1,000 or more during first or second months of quarter should file Form A-6 by the 15th of the month following the month in which \$1,000 or more is withheld with the Alabama Department of Revenue,

Individual and Corporate Tax Division.

Distribution See Individual Income Tax.

Individual Income Tax

Authority Sections 40-18-1 through 40-18-30 and 40-18-40 through 40-

18-59, Code of Alabama 1975.

Basis Taxable net income earned from all sources by residents.

Income from sources within this state by nonresidents and

part-year residents.

Rate Single persons, head of family, and married persons filing

separate returns with adjusted gross income of \$1,875 or more; 2% on first \$500 of taxable income, 4% on next

\$2,500, and 5% on all over \$3,000.

Married persons filing a joint return with adjusted gross income of \$3,750 or more; 2% on first \$1,000, 4% on next

\$5,000, and 5% on all over \$6,000.

Payment Self-employed indiviuals with taxable income other than

wages exceeding \$1875 for single persons, head of family, married persons filing separately, or exceeding \$3750 for married persons filing jointly declare, estimate, and remit one-fourth on 15th of April, June, September, and January.

Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except if fiscal year basis, which is due 105 days after close of fiscal year.

Individuals who have a balance due after credit is allowed for payments on an estimate and tax withheld must remit payment when returns are filed.

Deductions Single persons, head of family, and married persons

filing a separate return; 20% optional standard deduction (maximum \$2,000) or itemized deductions.

Married persons filing a joint return; 20% optional standard deduction (maximum \$4,000) or itemized deductions.

Allowance for federal income liability and FICA paid.

Exemptions Single or married person filing a separate return – \$1,500.

Married persons filing a joint return and head of family

– \$3,000.

Dependents – \$300 each.

Distribution Replaces state property tax lost due to the homestead

exemption; remainder to Education Trust Fund.

Insurance Premiums Tax

Authority Sections 27-4A-1 through 27-4A-7, **Code of Alabama 1975**.

Basis Transaction of insurance business in the state.

Rate Fire and Casualty – 3.6% of gross premiums less returned

premiums and prescribed dividends.

Wet or Ocean Marine Tax – 3/4% of 1% of the gross

underwriting profit.

Life – 2.3% of premiums on policies with face amount greater than \$25,000; 1% on policies less than \$25,000.

Health – 0.5% of premiums on group plans with less than 50

participants; 1.6% on all other health premiums.

Payment Obtain forms from Insurance Department. File and remit

quarterly to the Insurance Department on the following dates: May 15, August 15, November 15, and March 1 of the

following year.

International Fuel Tax Agreement

Authority

Sections 40-17-150 and 40-17-270 through 40-17-275, **Code of Alabama 1975**.

Basis

Every motor carrier who operates on any highway in Alabama a motor vehicle designed, used, or maintained for transportation of persons or property, except recreational vehicles, and which meets any of the following:

- a. has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms;
- b. has three or more axles regardless of weight;
- and is used in combination, when the weight of the combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight;

shall be subject to this tax. Motor carriers with motor vehicles which are operated or caused to be operated wholly within Alabama are exempt from this tax.

Rate

Any motor carrier meeting the above requirements shall pay an annual fee per vehicle to obtain identification markers. The fee for FY2004 is \$22.00

Excise tax upon motor fuels used in the operation of a motor carrier in Alabama shall be at the same rate per gallon as currently in effect for the classification of fuels, defined in Section 40-17-140, (gasoline \$0.16 and motor fuels \$0.19).

Payment

Every motor carrier must file with the Alabama Department of Revenue, Motor Vehicle Division, IFTA Section, before the last day of April, July, October, and January.

Distribution

That portion of revenues attributable to gasoline taxes shall be distributed in the manner prescribed for gasoline taxes levied under Sections 40-17-31 and 40-17-220.

That portion of revenues attributable to motor fuel (diesel) taxes shall be distributed in the manner prescribed for motor fuel (diesel) taxes levied under Sections 40-17-2 and 40-17-220.

See Motor Carrier Fuel Tax.

International Registration Plan Registration Fees

Authority Section 32-6-56, Code of Alabama 1975.

Basis Motor carriers operating in interstate commerce pay propor-

tional registration fees derived from mileage traveled in member jurisdictions. Registrants are issued an apportioned

license plate and a cab card.

Rate Registration fees are dependent on mileage traveled in IRP

member jurisdictions, the fee structure of the member jurisdictions and the number of months the vehicle(s) is to be

registered.

Payment Application forwarded to the Alabama Department of

Revenue, Motor Vehicle Division, for computation of fees.

Registrations are renewed on a staggered basis from

January through October.

Distribution Base amount

72% – Road and Bridge Fund

21% – City or county of residence

7% - Counties and cities

Additional amount

64.75% – Road and Bridge Fund

35.25% - Counties

Iron Ore Severance Tax

Authority Section 40-12-128, Code of Alabama 1975.

Basis Privilege tax levied on every person mining iron ore in

Alabama.

Rate \$.03 per ton of 2240 pounds

Payment File with the Alabama Department of Revenue, Sales, Use

& Business Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the

previous month's operations.

Distribution Education Trust Fund.

Lodgings Tax

Authority Section 40-26-1, Code of Alabama 1975.

Basis Renting rooms, lodgings, or accommodations to transients

in any hotel, motel, inn, tourist camp, or cabin, except where accommodations are furnished for a period of 180

continuous days or more.

Rate 5% in the following counties:

Blount DeKalb Lauderdale Marion Cherokee **Etowah** Lawrence Marshall Colbert Franklin Limestone Morgan Cullman Madison Jackson Winston

4% in all other counties

In addition to the above, several counties and municipalities levy local lodgings taxes, ranging in rate between 1% and 6%. Some of the local lodgings taxes are collected by the Department of Revenue and others are self-administered.

Payment File return and remit tax to the Alabama Department

of Revenue, Sales, Use & Business Tax Division, and to the proper local authority, by the 20th of month for the

preceding month's liability.

Distribution 4% tax

75% - General Fund

25% – Bureau of Tourism and Travel

1% tax

Special levy for Mountain Lakes Counties

Lubricating Oils Tax

Authority Sections 40-17-170 through 40-17-186; 40-17-220 through

40-17-225; 40-17-240 and 40-17-250, Code of Alabama 1975.

Basis Selling, distributing, or withdrawing from storage in

Alabama, for any use, lubricating oils or greases (does not include products commercially known as "fuel oils" or

"crude oil.")

Rate \$.02 per gal. levied under Sec. 40-17-171.

\$.04 per gal levied under Sec. 40-17-220.

\$.06 per gal. total

(Eight pounds of grease equals one gallon.)

Exemptions

The U.S. Government is exempt from the \$.02/gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, U.S. Government, sales for use in off-road vehicles, aircraft, ships, vessels, barges, railroad locomotives, and equipment and lubricating products sold for agricultural purposes are specifically exempt from the \$-.04/gallon tax levied under Section 40-17-220.

Class I municipalities, city and county boards of education, Alabama Institute for Deaf and Blind, Department of Youth Services, and private and church schools as defined in Section 16-28-1, are exempt from the \$.06/gallon tax under Section 40-17-240.

Class II municipalities are exempt from the \$.06/ gallon tax under Section 40-17-250.

Payment

File and remit to the Alabama Department of Revenue, Sales, Use & Business Tax Division, Motor Fuels Section, by 20th of month following month of transaction.

Distribution

- \$.02 revenues General Fund
- \$.04 revenues:

45% - State Road & Bridge Fund

55% – to be shared by the counties and their municipalities as follows:

- (a) 25% of the net tax is distributed equally to the 67 counties;
- (b) 30% of the net tax is allocated to the 67 counties based on population.
 - 10% of countys' share received shall be allocated to each municipality therein, based on a population ratio.
 - 2. Remaining portion to the county.

Manufactured Home Registration Fee

Authority

Sections 40-7-1, 40-8-1, 40-11-1, 40-12-252, and 40-12-255, **Code of Alabama 1975**.

Basis

Registration fee in lieu of property taxes on manufactured homes in Alabama which are rented or leased or located on land owned by someone other than the owner of the manufactured home. (An owner-occupied manufactured home located on land owned by the occupant is subject to property taxes.)

A decal is displayed on each unit and serves as proof of payment of the fee due. Dealer or manufacturer inventory units are not subject to the registration fee.

Rate Owner-occupied:

\$24.00 single wide (one transportable module)

\$48.00 double wide (two or more transportable modules)

All others:

\$48.00 single wide (one transportable module)

\$96.00 double wide (two or more transportable modules).

Manufactured homes ten years or older shall be subject to 75% of the fees above, while those 20 years or older shall be subject to 50% of the fees above.

Additionally, each manufactured home registered is subject to a \$5.00 issuance fee at the time of registration.

Payment

Registration and payment will take place in the county in which the manufactured home is customarily located. Decals will be issued by the county official that collects property tax on manufactured homes.

Fees are due October 1 each year and will be considered delinquent after November 30.

Distribution

Registration Fee

State General Fund – 25%

County General Fund - 25%

County School Board – 25%, unless the manufactured home is located within the city school district, in which case this portion will go to the city school board.

City or municipality where the manufactured home is located – 25%.

Should the manufactured home be located outside the corporate limits of the nearest city or municipality, then this portion will go to the County General Fund.

Issuance Fee

An additional \$5.00 issuance fee is charged by the issuing official.

Medicaid Nursing Facility Tax

Authority Sections 40-26B-20 through 40-26B-27, Code of Alabama

1975.

Basis Privilege tax on the business activities of every nursing

facility in Alabama.

Rate Annual rate of \$1899.96 per year for each bed in the facility.

Payment File return and remit monthly installment payment to

Alabama Department of Revenue, Sales, Use & Business Tax Division, on or before the 10th day of the month for the

preceding month's liability.

Distribution Alabama Health Care Trust Fund

Medicaid Pharmaceutical Providers' Tax

Authority Sections 40-26B-1 through 40-26B-8, Code of Alabama

1975.

Basis Privilege tax on the business activities of every provider

of pharmaceutical services to Alabama citizens, except for pharmacies serving hospital inpatients or pharmacies owned

or operated by the state of Alabama.

Rate Ten cents for each prescription filled or refilled for a citizen of

Alabama.

Payment File and remit tax to Alabama Department of Revenue, Sales,

Use & Business Tax Division, by the 20th of the month for the

preceding month's liability.

Distribution Alabama Health Care Trust Fund

Mineral Documentary Tax

Authority Sections 40-20-30 through 40-20-37, Code of Alabama 1975.

Basis Filing and recording any instrument creating a leasehold

interest in any non-producing oil, gas, or other similar mineral interest in Alabama and upon every deed, instrument, transfer, or evidence of sale conveying interest

or right to receive royalties from such property.

Rate Minimum fee – \$1.00

Term of leasehold less than 10 years – \$.05 per mineral or

rovalty acre.

Term of leasehold more than 10 but less than 20 years – \$.10

per mineral or royalty acre.

Term of leasehold greater than 20 years – \$.15 per mineral or

royalty acre.

Payment Paid one time to probate judge of county containing

property upon filing instrument of record, in lieu of payment

of property tax.

Distribution 35% – County General Fund

35% - County Public School Fund

30% - State General Fund

Mobile Communication Services Tax

Authority Section 40-21-121, Code of Alabama 1975.

Basis Privilege tax on providing mobile telecommunication

services in Alabama.

Rate 6% on monthly recurring access charges and all airtime

charges.

Payment File return and remit tax by the 20th of each month to the

Alabama Department of Revenue, Sales, Use & Business Tax

Division, for the preceding month's liability.

Taxpayers with an average monthly tax liability of \$10,000 or more during the preceding calendar year shall pay, by the 20th of the month in which the liability occurs, an estimated amount not less than that paid for the same month during

the preceding year.

Distribution Alabama Revolving Loan Fund Authority Servicing Banks.

\$1,500,000 – Education Trust Fund Remainder to the General Fund

Motor Carrier Mileage Tax

Authority Sections 40-19-1 through 40-19-17, Code of Alabama 1975.

Basis Motor carrier hired for transportation of persons or property

on the highways of Alabama.

Rate Seating Capacity Tax Rate

Not less than nine

nor more than 16 1/4 cents per mile 17–21 1/2 cents per mile 22–25 3/4 cents per mile

greater than 25 1 cent per mile

Payment File and remit to the Alabama Department of Revenue.

Sales, Use & Business Tax Division, Motor Fuels Section, by

the 15th of the month after tax accrues.

Tour bus operations are exempted from the provisions of the Exemption

motor carrier mileage tax law.

Distribution Public Service Commission operating costs

Balance – State Highway Fund

Motor Vehicle Carrier Permit Fees

Authority Sections 37-3-1 through 37-3-34, Code of Alabama 1975.

Basis Fee for any person transporting passengers or property by

motor vehicle for compensation in Alabama, whether directly or by lease, contract or other arrangement.

\$100 for intrastate certificate of public convenience or Rate permit.

> \$100 for amendment of an intrastate certificate or permit.

\$ 25 for interstate registration.

\$ 25 for transfer of a certificate or permit.

\$ 10 for approval of a lease of a certificate for a period of more than six months.

registration fee for every motor vehicle used by a motor carrier on a state highway.

To the Alabama Public Service Commission upon application Payment

by the motor carrier.

Distribution General Fund

Motor Vehicle Certificate of Title Fee

Authority Sections 32-8-1 through 32-8-88, Code of Alabama 1975.

Basis Fee required of owners of motor vehicles designated 1975 or later, mobile homes, and travel trailers designated 1990 or

later, for which no certificate of title has been issued.

Registrants must have a certificate of title or an application for certificate of title before registration plates can be issued.

Rate Original certificate of title \$15

Replacement certificate \$15 Certificate after transfer \$15 Notice of security interest \$15 Assignment by lienholder \$15
Information on status of a title \$15
Corrected title \$15
Salvage title \$15

Payment Application and fee forwarded to the Alabama Department

of Revenue by designated agents of the department.

Designated agents are all county officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed motor vehicle dealers who qualify,

and financial institutions that qualify.

Distribution General Fund

Motor Vehicle Dealers Off-Site License

Authority Act No. 2004-534

Basis Any new or used motor vehicle dealer is required to obtain

a license in order to conduct sales of new or used motor vehicles from locations off-site of their permanent locations

(Prerequisite to licensing under Section 40-12-51).

Rate License- \$25 per off-site sale

Payment File application, with the Alabama Department of Revenue,

Sales, Use & Business Tax Division, Severance and License

Section, 14 days prior to conducting the off-site sale.

Distribution General Fund

Motor Vehicle Dealers, Reconditioners, Rebuilders and Wholesalers License

Authority Sections 40-12-390 through 40-12-400, Code of Alabama

1975.

Basis Motor Vehicle Dealer

Engaging in the business of buying, selling, exchanging, negotiating, offering, or displaying the sale of motor vehicles at retail. (Prerequisite to licensing under Section 40-12-51.)

Motor Vehicle Reconditioner

Engaging in the business of refurbishing, repairing, or replacing damaged parts of motor vehicles to prepare for resale under the same identification as before refurbishment.

Motor Vehicle Rebuilder

Engaging in the business of making or causing to be made extensive repairs, replacements, or combination to the extent of eliminating the identity of the original motor vehicle.

Motor Vehicle Wholesaler

Engaging in the business of buying, selling, or exchanging motor vehicles at wholesale. (Prerequisite to licensing under Section 40-12-51)

Rate License – \$10 annually per type of activity.

Each additional place of business - \$5.

Payment File application, with applicable bond, and insurance

certificate, with the Alabama Department of Revenue, Sales, Use & Business Tax Division, Severance and License Section,

by October 1.

Distribution General Fund

Motor Vehicle Registration

Authority Sections 40-12-240 through 40-12-302 and 32-6-51 through

32-6-592, Code of Alabama 1975.

Basis Motor vehicle operation and use upon the public highways

of Alabama.

Rate Passenger cars and pickup trucks \$23

Motorcycles \$15

Buses \$47.50 to \$210

(based on seating)

Taxicabs \$21 to \$40

(based on weight)

Hearses and ambulances \$15 to \$55

(based on city population)

Trucks and truck-tractors \$23 to \$845

(based on gross wt.)

Motor homes \$23 to \$500

(based on gross wt.)

Commercial trailers \$20
Private utility trailers \$12
Rental utility trailers \$15

Payment File with and remit to county license plate-issuing official in county of residence or where the vehicle is principally used.

country of residence of where the verticle is principally us

Registration is staggered based on the first letter of the

individual's last name:

January	A,D	June	M,I
February	В	July	P,L
March	C,E	August	J,K,R
April	F,G,N	September	Q,S,T
May	H,O	October	U,V,W,X,Y,Z

Trucks and commercial and fleet vehicles will be registered during October and November of each year.

Distribution

The first \$10 of passenger car and pickup truck registration fees and the first \$8 of motorcycle registration fees are distributed to the state's general fund for Public Safety Department use enforcing traffic and motor vehicle laws.

Balance:

Base Amount	Additional Amount	
72%	64.75%	State Road and Bridge Fund
	35.25%	Counties
21%		City or County of Residence
	7%	Counties and Cities

Oil and Gas Privilege Tax

Authority

Sections 40-20-1 through 40-20-13, Code of Alabama 1975.

Basis

Engaging in the business of producing or severing oil or gas within the state.

Rate

4% Privilege

Oil wells producing 25 BBLS or less per day.

Gas wells producing 200 MCF or less per day.

Incremental production from qualified enhanced recovery projects and supplemental enhanced recovery projects approved by State Oil and Gas Board.

Offshore wells, at depths greater than 18,000 feet below mean sea level, granted permits on or after July 1, 1988, by State Oil and Gas Board.

6% Privilege

- (1) Offshore wells producing at depths greater than 18,000 feet and permitted prior to July 1, 1988.
- (2) Offshore wells producing at depths less than 18,000 feet and permitted on or after July 1, 1988.

(3) Onshore wells permitted on or after July 1, 1988, except those qualifying for lower tax rates.

8% Privilege

Tax on all other taxable production not covered under above provisions.

Temporary Tax

Under Act 2004-635 a temporary tax is levied (July 1, 2004, through June 30, 2005) of 1% of offshore production and 0.5% of onshore production.

Reduced Privilege Tax

Any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, will qualify for a 50% tax rate reduction for five years from first production.

1% Baldwin County Privilege Tax.

Tax, levied at 1% of value at the point of production, on all oil and gas, or other hydrocarbons produced or severed from the soil or waters, or from beneath the soil or waters of Baldwin County. This tax is in addition to other taxes levied on the severance of hydrocarbons.

Exemptions

Natural gas lawfully injected into oil or gas pools, or reservoirs in the soil, or beneath the soil or waters of the state for the purpose of lifting oil or gas is exempt from this tax. However, if any gas injected is sold or injected into underground storage facilities, that gas shall not be exempt from this tax. Natural gas lawfully vented or flared in connection with the production, treatment, or processing of oil or gas is exempt from the tax.

Payment

File return and remit payment to the Alabama Department of Revenue, Sales, Use & Business Tax Division, Severance and License Section, by the 15th day of the second month following production.

Distribution Onshore:

25% - General Fund

75% - Distributed as follows:

66-2/3% is distributed as follows:

25% Counties where severed10% Municipalities where severed

First \$150,000:

50% State General Fund 42-1/2% Counties where severed

7-1/2% Municipalities

Remainder:

84% State General Fund 14% Counties where severed

2% Municipalities

16-2/3% - General Fund

16-2/3% - Counties where severed

Temporary Tax (Act 04-635): General Fund

Distribution Offshore:

90% - General Fund

10% - Counties where severed

Temporary Tax (Act 04-635): General Fund

Oil and Gas Production Tax

Authority Sections 9-17-25 through 9-17-31, Code of Alabama 1975.

Basis Production of oil or gas from a well in Alabama.

Rate 2% of gross value at point of production or 1% for any well

permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, for five years from first production.

Payment Paid to the Alabama Department of Revenue, Sales, Use &

Business Tax Division, Severance and License Section, by the 15th day of the second month following production.

Distribution General Fund

Pari-Mutuel Pool Tax

Authority Sections 40-26A-1 through 40-26A-17, **Code of Alabama**

1975.

Basis Privilege tax on every person engaged in the business of

operating a dog race track in the state.

Rate 1% of the pari-mutuel pool on all pari-mutuel races.

In addition, there is also a 1% levy on the pari-mutuel pool on all races requiring the selection of three or more racers.

Payment File and remit payment by the 20th day of each month to the

Alabama Department of Revenue, Sales, Use & Business Tax

Division, Tobacco Tax Section.

Distribution General Fund

Partnership Income Tax

Authority Sections 40-18-22, 40-18-24, and 40-18-28, **Code of Alabama**

1975. This is a component of Individual and Corporate

Income Tax.

Basis Partnerships are a pass-through entity. Income is

calculated on the partnership informational return, Form 65. The income is reported and taxes paid on the partners'

(individual or corporate) income tax returns.

Payment Any partnership with nonresident partners who have

not executed a Nonresident Agreement must pay the nonresident partners' tax, using Form 65. Form and any tax due should be remitted on or before the 15th day of the fourth month following the close of the partnership's accounting period. File with the Alabama Department of Revenue, Individual and Corporate Tax Division, Pass

Through Entity Unit.

Distribution See Individual Income Tax and Corporate Income Tax.

Playing Card Tax

Authority Section 40-12-144, Code of Alabama 1975.

Basis A privilege tax imposed on the storage, sale, use, or

consumption of packaged playing cards containing not more

than 54 cards to the deck or package.

Rate \$.10 per package or deck of playing cards.

Payment Order stamps from the Alabama Department of Revenue,

Sales, Use & Business Tax Division, Tobacco Tax Section.

Distribution General Fund

Property (Ad Valorem) Tax

Authority Sections 40-1-1 through 40-11-4 and 40-21-1 through 40-21-

34, Code of Alabama 1975; Amendment 373, Constitution of

Alabama.

Basis Ownership of real and personal property within this state.

Rate The state tax rate is 6.5 mills.

County millages vary from 14.5 mills to 55.8 mills. City

millages vary from zero to 49.3 mills.

Counties and cities may decrease their ad valorem tax rate, provided the decrease does not jeopardize the payment of

bonded indebtedness.

Any increase in the county and municipal tax rate must be approved by the governing authority, the legislature, and the voters of the taxing jurisdiction.

The county commission, at its first regular meeting in February, shall levy the amount of general taxes required for county expenses for the current year, not to exceed 1/2 of 1% of the value of taxable property as shown by the books of assessment.

All nonexempt property is divided into the following classes and subject to the assessment ratios indicated:

Class I	All utility property used in such utilities.	30%
Class II	All property not otherwise classified.	20%
Class III	All agricultural, forest, and single-family owner-occupied residential property, including owner-occupied residential manufactured homes (formerly known as "mobile homes") located on land owned by the manufactured home owner, and historic buildings and sites.	10%
Class IV	All private passenger automobiles and	15%

Class IV All private passenger automobiles and motor trucks of the type commonly known as "pickups" or "pickup trucks" owned and operated by an individual for personal or private use and not for hire, rent, or compensation.

Automobiles and "pickup" trucks under lease-purchase option agreements which are leased by an individual for personal or private use are also included.

One tax rate must be applied to all property taxed by the state. One tax rate must be applied to all property taxed by a county, municipality, or other taxing authority within its taxing jurisdiction.

With the exception of the cities of Mountain Brook, Vestavia Hills, and Huntsville, the amount of property tax paid on any item of taxable property shall never exceed the percentage of market value for that class as shown below:

Class I	2%	66-2/3 Mills Tax Rate
Class II	1-1/2%	75 Mills Tax Rate
Class III	1%	100 Mills Tax Rate
Class IV	1-1/4%	83-1/3 Mills Tax Rate

All taxable property is to be appraised at its fair and reasonable market value, with the exception of Class III property, which may be appraised by the assessor on current use value if the owner of the property requests. All taxpayers have the right to appear before the county board of equalization concerning property valuation.

Exemptions

Homesteads, not to exceed 160 acres, whose owners are less than 65 years of age, are exempt from state property tax up to \$4,000 of assessed value. County exemptions vary from \$2,000 to \$4,000 of assessed value for the regular homestead.

The first \$2,000 exemption applies to county property taxes, except county wide and school district taxes. An optional exemption not to exceed \$4,000 may be granted to county and municipal taxes, provided county wide school district or municipal school district property exemptions are approved by resolution of the governing body and school system boards.

Homesteads whose owners are more than 65 years of age or who are blind shall be exempt from all state property taxes. Owners over 65 with an annual adjusted gross income of less than \$12,000, as reflected on the most recent state income tax return, or who are blind shall have a \$5,000 exemption on assessed value for county tax.

Those with a net taxable income of \$7,500 or less, as reported on the federal income tax return of taxpayer and spouse, or who are totally disabled regardless of age, or who are blind shall be exempt, upon proper qualification, from all state, county, and city property taxes up to 160 acres.

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements used in agriculture; stocks of goods, wares, merchandise; and manufactured homes rented or leased, not located on land owned by the manufactured home owner (these homes must be registered).

In order to encourage the development of new industry in the state, as well as to encourage the expansion of existing industry, there are provisions in the law for exemptions from the property tax in some cases.

Manufacturers of calcium cyanamide, aluminum, or aluminum products are specifically exempt from all state, county, and municipal property tax levies for ten years.

Payment Individuals, partnerships, corporations, etc., pay tax annually

to county tax collectors between October 1 - December 31,

following assessment.

Public utilities and railroads file returns annually with the Alabama Department of Revenue, Property Tax Division, by March 1. Assessments are made by the department and

collected by the counties.

Distribution 3 mills (46.15%) - Public School Fund

2.5 mills (38.46%) - General Fund

1 mill (15.38%) - Human Resources Fund

Recordation Tax

Authority Sections 40-22-1 through 40-22-12, Code of Alabama 1975.

Basis Recordation of mortgages, deeds, bills of sale, conditional

sale contracts, etc.

Rate Mortgages

\$.15 per \$100 of indebtedness or fraction thereof. (Also

deeds of trust, conditional sale contracts, etc.).

Deeds

\$.50 per \$500 of value or fraction thereof. (Also bills of sale.)

Payment Paid to probate judge upon presentation for record; except

for deeds conveying property in two or more counties, mortgages conveying property both within and without

Alabama and open-end mortgages.

In the instances noted above, the tax is also paid to probate judges, but only after petition is made to the Department of Revenue and the department has issued an order determining the amount and distribution of said tax.

Distribution 2/3 – General Fund

1/3 - County

Rental or Leasing Tax

Authority Section 40-12-222, Code of Alabama 1975.

Basis Privilege tax on persons engaging in the business of leasing

or renting tangible personal property.

Rate 4% of gross proceeds from leasing or rental of

tangible personal property.

1-1/2% of gross proceeds from leasing or renting

automotive vehicles, truck trailers, semitrailers, or

housetrailers.

of gross proceeds from leasing or rental of linens

or garments.

Payment

File return and remit tax to the Alabama Department of Revenue, Sales, Use & Business Tax Division, by the 20th of month for preceding month's liability.

Taxpayers whose total state rental tax liability for the preceding calendar year averaged less that \$200 per month may elect to file and pay state rental tax on a calendar quarter basis.

Taxpayers whose total state rental tax liability for the preceding calendar year was \$10 or less may file and pay state rental tax on a calendar year basis.

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

Distribution

General Fund

Restored (Salvage) Vehicle Inspection Fee

Authority Section 32-8-87(1), Code of Alabama 1975.

Basis Inspe

Inspection fee for inspection of salvage vehicle restored to operating condition which existed before event which caused a salvage motor vehicle title to be issued. Fee pays for costs of inspection to determine that the identification numbers of the vehicle or its parts have not been removed, falsified, altered, defaced, destroyed, or tampered with and that there are no indications that the vehicle or any of its parts are stolen.

Rate \$75.00 per application for inspection.

Payment Payable to state with submission of application for inspection

form (INV 26-15) plus title fee of \$15.00 and supporting documents. Submitted to the Inspections Section of the Alabama Department of Revenue, Investigations Division.

Distribution \$75.00 To the Alabama Department of Revenue for

"personnel and maintenance costs of the vehicle

inspection program."

\$15.00 Title fee to the General Fund

Sales Tax

Authority

Sections 40-23-2 and 40-23-37, Code of Alabama 1975.

Basis

Gross proceeds from sale of all taxable items for consumption or other use to consumers (except as specifically exempted by law) within Alabama and the gross receipts from conducting or operating public places of amusement or entertainment.

Rate

- 4% of gross proceeds of sale of tangible personal property.
- 4% of gross receipts from conducting or operating public places of amusement or entertainment.
- of net trade difference of new or used automotive vehicles, truck trailers, semitrailers or housetrailers.
- 2% of gross proceeds of sale of manufactured home set-up materials and related supplies.
- 1-1/2% selling price of machinery used in mining or manufacturing tangible personal property.
- 1-1/2% of net trade difference of new or used farm machines, machinery, and equipment that is used in production of agricultural produce or products, livestock or poultry on farms.
- 3% of retail selling price of food products sold through vending machines.

The Department of Revenue collects and administers approximately 210 county and municipal sales and/or gross receipts taxes ranging in rate between 1/4 of 1% to 5%. In addition, some counties and municipalities may choose to administer their own sales and/or gross receipts taxes.

Payment

File and remit tax to the Alabama Department of Revenue, Sales Use and Business Tax Division, by 20th of the month for the preceding month's liability.

Taxpayers whose total state sales tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state sales tax on a calendar quarter basis.

Taxpayers whose total state sales tax liability for the preceding calendar year was \$10 or less may file and pay state sales tax on a calendar year basis.

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

Taxpayers with an average monthly tax liability of \$1,000 or greater during the preceding calendar year shall pay, by the 20th day of the month in which the liability occurs, an estimated amount equal to the lesser of 2/3 of the taxpayer's actual tax liability for the same calendar month of the preceding year or 2/3 of the current month's estimated liability.

Distribution

\$ 1.322.000: Human Resources Fund

\$ 378,000: Counties

Balance: 42% of the 2% tax on gross proceeds from sale

of automotive vehicles goes to the General Fund*

\$400 discount cap: Foster Children Program and repairs and capital outlays for state parks, public

historic sites, and public historical parks.

*Temporary Share Change (FY 2005 GF--51.3%, ETF--48.7; FY 2006 GF--60.6%, ETF--39.4)

Scrap Tire Environmental Fee

Authority Sections 22-40A-1 through 22-40A-24, Code of Alabama

1975

Basis Fee on sale of new, used or retread tires, whether mounted

or not, to the consumer.

Rate \$1 per tire

Payment File and remit to the Alabama Department of Revenue,

Sales, Use & Business Tax Division, Motor Fuels Section.
Payment is due by the 20th of each month for the previous

month's operation.

Distribution All fees collected, less administrative expenses, is deposited

into the Scrap Tire Fund to be distributed for use by the Alabama Department of Environmental Management.

State Horse Wagering Fee

Authority Sections 11-65-1 through 11-65-47, Code of Alabama 1975.

Basis Fee on each licensed horse-racing operator.

Rate 1% of the operator's horse-racing handle.

Payment Remit payment by the end of the calendar month for activity

during the preceding calendar month to the Alabama Department of Revenue, Sales, Use & Business Division,

Tobacco Tax Section.

Distribution General Fund

Store and Chain Store License

Authority Sections 40-12-310 through 40-12-319, Code of Alabama

1975.

Basis Any person, firm, corporation, association, or co-

partnership, foreign or domestic, is required to obtain a license to operate, maintain, open, or establish any store in this state in which goods, wares, or merchandise of any kind

are sold, at either retail or wholesale.

Two or more stores which are under a single or common ownership or management, if directly or indirectly owned or controlled by a single person or group having a common interest, shall be termed a chain of stores and shall be required to pay the additional license tax for each store so

maintained.

Rate 1 Store \$1

2-5 Stores \$15 each additional store 6-10 Stores \$22.50 each additional store

11-20 Stores \$37.50 each additional store

More than 20 \$112.50 each additional store

New businesses beginning on or after April 1 may pay onehalf of the full rate for a part-year license.

nail of the full rate for a part-year license

Payment Store/chain store licenses are due and payable by October 1 and delinquent on November 1. Licenses are issued by

the county-issuing authority at the courthouse in the county

where the principal or main store is located.

Distribution Education Trust Fund

Tobacco Tax

Authority Sections 40-25-1 through 40-25-29 and 40-25-40 through 40-

25-47, Code of Alabama 1975.

Basis Sale, storage, use, or distribution of tobacco products by

wholesalers, retailers, and consumers.

Rate

42.5¢ on each package of 20 cigarettes. On other tobacco products such as cigars, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or retail price of the package.

Payment

For cigarettes, tax is paid by affixing stamps. For other tobacco products, a report shall be submitted to the state with the appropriate tax remitted.

File and remit to the Alabama Department of Revenue, Sales, Use & Business Tax Division, Tobacco Tax Section, by the 20th of the month for the stamps and/or products handled during the preceding month.

Other

In addition to state tobacco taxes, cigarettes and other tobacco products are subject to taxation at the local level. The department administers these taxes in many counties.

State Administered local tobacco taxes range from \$.01 to \$.25 per pack of cigarettes and other tobacco products of various packages and containers and up to \$.23 per package of rolling papers.

Municipal taxes, where applicable, are collected and administered by the municipality.

Distribution

Cigarettes

38.82 as follows:

66 67% - General Fund

12.12% - Special Mental Health Fund

6.06% - State Public Welfare Trust Fund

6.06% - State Parks Development Authority

9.09% – IDA Bonds, Remaining to "General and Mental Health Fund"

61.18 as follows:

\$2 million to counties to offset administrative expenses

Balance: General Fund for Medicaid services

Other Tobacco Products

100% - General Fund

TVA Electric Payment

Authority Sections 40-28-1 through 40-28-4, Code of Alabama 1975.

Basis The Tennessee Valley Authority makes annual payments to Alabama, in lieu of taxes, under federal law 16 USC, Section 831. State law then determines the direct-served counties'

share using formulae that analyze:

T.V.A. industrial/residential power sales ratios;

Book value ratios of T.V.A. property; and,

Con

struction in counties where T.V.A. services are

provided.

Payment In addition, dry (non-alcholic) counties not served by T.V.A.

receive a guaranteed share of this annual payment.

Paid by TVA in monthly installments to the Alabama Department of Revenue, Financial Operations Section, by

the first of every month.

Distribution 20% – State General Fund

75% - Direct-served counties

5% - Dry non-served counties

Underground and Aboveground Storage Tank Trust Fund Charge

Authority Sections 22-35-1 through 22-35-13, Code of Alabama 1975,

as amended.

Basis Charge is imposed on the first withdrawal of a motor fuel

from bulk and on motor fuels imported into Alabama.

Rate Based on invoiced gallons in an amount which shall be not

greater the \$0.01 per gallon, nor less than \$0.003 per gallon.

Payment File returns and remit charge to the Alabama Department of

Revenue, Sales, Use & Business Tax Division, Tobacco Tax Section, by the 20th of the month for the preceding month's

activity.

Distribution Alabama Underground and Aboveground Trust Fund.

Unemployment Compensation Tax

Authority Sections 25-4-52 and 25-4-54, Code of Alabama 1975.

Basis Annual earnings paid to each employee.

Tax is due by an employer on the first \$8,000 paid to each Rate

employee during a calendar year.

Rates per employee are determined under an experience rating plan. Under this plan, rates range (in 17 steps) from 0.59% to 6.19%. Special assessments may be made to

support special requirements.

Payment Reporting forms are mailed the last week of each quarter

> to all registered employers by the Department of Industrial Relations. File by end of month following close of each

auarter.

Use Tax

Sections 40-23-61 and 40-23-63, Code of Alabama 1975. Authority

Basis Excise tax on tangible personal property purchased outside Alabama for storage, use, or other consumption in Alabama.

4% of selling price of general merchandise and items.

2% of selling price of mobile home set-up materials and related supplies.

2% of net trade difference of new and used automotive vehicles.

1-1/2% of selling price of machinery used in mining and manufacturing.

1-1/2% of net trade difference of farm machines, machinery, or equipment.

Note: Each purchaser liable for use tax on tangible personal property is entitled to full credit for the combined amount of legally imposed sales or use taxes paid by the purchaser with respect to the same property to another state and any subdivision thereof.

Payment **Payment** File and remit to the Alabama Department of Revenue, Sales, Use & Business Tax Division, on 20th day of month for

the preceding month's liability.

Taxpayers whose total state use tax liability for the preceding calendar year averaged less that \$200 per month may elect to file and pay state use tax on a calendar quarter basis.

Rate

Taxpayers whose total state use tax liability for the preceding calendar year was \$10 or less may file and pay state use tax on a calendar year basis.

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

Distribution

Education Trust Fund, except for 42% of the 2% tax on gross proceeds from sale of automotive vehicles which will go to the General Fund, and revenues from the repealed discount which go to the Foster Children's Program and the Department of Conservation and Natural Resources.

Utility Gross Receipts Tax

Authority Sections 40-21-82, Code of Alabama 1975.

Basis Privilege tax on every utility (electric, domestic water,

natural gas, telegraph, and telephone) furnishing services in

Alabama.

Tax on utilities furnishing electricity, domestic water or natural gas:

Rate If monthly gross sales or gross

receipts respecting a person are: The tax is:

Not more than \$40,000 4% of gross sales or

gross receipts

More than \$40,000, \$1,600 plus 3% of but not over \$60,000 excess over \$40,000

More than \$60,000 \$2,200 plus 2% of

excess over \$60,000.

Tax on utilities furnishing telegraph or telephone services:

6% on gross sales or gross receipts

Payment

File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales, Use & Business Tax Division, for the preceding month's liability.

Taxpayers with an average monthly tax liability of \$10,000 or more during the prior calendar year, pay by the 20th of month in which liability occurs an estimated amount no less than that paid for the same month during the preceding year.

Distribution \$14,600,000 – Special Mental Health Trust Fund

Remainder - Education Trust Fund

2.2% Utility License Tax

Authority Sections 40-21-50 through 40-21-51 and 40-21-53, **Code of**

Alabama 1975.

Basis License tax for operating a public utility (hydroelectric,

electric, gas, or other public utility).

Rate 2.2% on each dollar of gross receipts.

Payment File Form FT 5-7 with the Alabama Department of Revenue,

Sales, Use & Business Tax Division, on or before October 14, annually. Payment based on gross receipts for the preceding year due in one-fourth increments on October 1, January 1,

April 1, and July 1.

Distribution 85% – Special Mental Health Fund

15% - General Fund

Wholesale Oil License

Authority Section 40-17-174, **Code of Alabama 1975**.

Basis Wholesale sales of illuminating, lubricating, or fuel oils.

Rate 1/2 of 1% on gross sales for the preceding fiscal year.

Note: This is levied on the first wholesale transaction in

Alabama.

Payment By October 14, file and remit the amount due to the Alabama

Department of Revenue, Sales, Use & Business Tax Division,

Motor Fuels Section.

Distribution General Fund

Agency Directory for Tax Numbers

State Sales, Use, Income Tax Withholding, Rental and Lodgings Tax Numbers, Name and/or Address Changes

Request Form COM: 101 from the following address:

Alabama Department of Revenue Central Registration Unit 50 N. Ripley Street Room 4301 Gordon Persons Building Montgomery, AL 36132 334-242-1170

Form COM: 101 and Electronic Combined Registration/Application are also available on the department's web site at:

www.ador.state.al.us

Unemployment Compensation Tax Number

Alabama Department of Industrial Relations Industrial Relations Building Status Unit, Rm. 4201 649 Monroe Street Montgomery, AL 36131 334-242-8830

Federal Employer Identification Tax Number

Internal Revenue Service 1-800-829-3676 Call and ask for Form SS-4 in order to apply for federal employer identification tax number.

Department of Revenue Tax Calendar

(See Page 50 for Monthly Returns)

Due Date		Tax Activity
January	1	Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Utility license (2.2%) second quarterly payment due.
	15	Fourth installment of estimated personal income tax due.
	20	Quarterly sales tax return and payment due.
		Annual sales tax return and payment due.
		Quarterly use tax return and payment due.
		Annual use tax return and payment due.
		Quarterly rental or leasing tax return and payment due.
		Annual rental or leasing tax return and payment due.
	30	Forest products' severance tax return and payment due.
	31	Quarterly withholding return and payment due from employer.
		Quarterly IFTA tax return and payment due.
February	28	Annual withholding return due.
March	1	Freight line equipment return due.
		Annual insurance premiums tax return and payment due.
		Public utility property tax return delinquent after this date.
	15	Corporate income tax return and information return due (for calendar-year taxpayers).
		Business Privilege Tax return (Form PSA due for corporations).
April	1	Annual Dry Cleaning Trust Fund Fee return and payment due by wholesalers of dry cleaning agents.
		Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Utility license (2.2%) third quarterly payment due.

15 Declaration of estimated personal income tax and first installment due.

Financial institutions' excise tax return and payment due.

Business Privilege tax return (Form PSA) due for limited liability entities.

First installment of estimated corporate income tax due (for calendar-year taxpayers).

NOTE: Other fiscal-period taxpayers pay their corporate estimated tax on the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year and file their return on the 15th day of the third month following the close of their tax year.

Partnership income tax return due.

Personal income tax return and payment due.

20 Quarterly sales tax return and payment due.

Quarterly use tax return and payment due.

Quarterly rental or leasing tax return and payment due.

Scrap tire environmental fee return and payment due.

30 Forest products' severance tax return and payment

Quarterly withholding return and payment due from emplover.

Quarterly IFTA tax return and payment due.

15 Quarterly insurance premiums tax return and payment May due.

> 15 Second installment of estimated corporate income tax due (for calendar-year taxpayers).

Second installment of estimated personal income tax due.

1 Quarterly Dry Cleaning Trust Fund Fee return and payment due.

Utility License (2.2%) fourth quarterly payment due.

20 Quarterly sales tax return and payment due.

Quarterly use tax return and payment due.

June

July

Quarterly rental or leasing tax return and payment due.

- 30 Forest products' severance tax return and payment due.
- 31 Quarterly withholding return and payment due from employer.

Quarterly IFTA tax return and payment due.

August

15 Quarterly insurance premiums tax return and payment due.

September

15 Third installment of estimated corporate income tax due (for calendar-year taxpayers).

Third installment of estimated personal income tax due.

25 Hydroelectric gross receipts' return and payment due.

October

1 Property tax on real and personal property due.

Automotive dismantlers and parts recyclers' license due.

Business privilege license fee due.

Quarterly Dry Cleaning Trust Fund Fee return and payment due.

Manufactured home registration and fee due.

Motor fuel identification markers issued.

Motor vehicle dealers, reconditioners, rebuilders and wholesalers' license tax due.

NOTE: Effective Oct. 1, 2003, dealer license plates and manufacturer license plates will be issued through county license plate issuing officials.

Store and chain store license tax due.

Utility license (2.2%) return and first quarterly payment due.

- 14 Annual wholesale oil license return and payment due.
- 20 Quarterly sales tax return and payment due.

Quarterly use tax return and payment due.

Quarterly rental or leasing tax return and payment due.

30 Forest products' severance tax return and payment due.

31 Quarterly withholding return and payment due from employer.

Quarterly IFTA tax return and payment due.

Annual business privilege licenses delinquent after this date.

Store and chain store licenses delinquent after this date.

November

- 15 Quarterly insurance premiums tax return and payment due.
- 30 Last day to register and pay fee for manufactured homes without penalty.

December

- 15 Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).
- 31 Property tax on real and personal property delinquent after this date.

Expiration of the previous calendar year's motor fuel identification markers

Property Tax Assessments Delinquent after this date.

Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.

Required Monthly Returns

Day	Tax Activity
10	Medicaid-related tax return and payment due for nursing facilities.
	Tobacco use tax return and payment due.
15	Gasoline information return due from carriers, transporters, and warehouses.
	Lubricating oils information return due from carriers, transporters, and warehouses.
	Motor carrier mileage tax return and payment due.
	Oil and gas production tax and privilege tax return and payment due the second month following the month of production.

Withholding return and payment due from those employers required to remit on a monthly basis.

20 Aviation fuel tax return and payment due.

Mobile Communication services tax return and payment due.

Coal severance tax return and payment due.

Coal transporters' and purchasers' returns due.

Contractors gross receipts tax return and payment due.

Gasoline tax return and payment due.

Iron ore severance tax return and payment due.

Local solid minerals tax returns and payments due.

Lodgings tax return and payment due.

Lubricating oils tax return and payment due.

Medicaid tax return and payment due from pharmaceutical service providers.

Motor fuel tax return and payment due.

20 Pari-mutuel pool tax return and payment due.

Rental or leasing tax return and payment due.

Sales tax (state and local) return and payment due.

Tobacco tax (state and county) return and payment due.

Underground and aboveground storage tank trust fund

charge due.

Use tax return and payment due.

Utility gross receipts tax return and payment due.

Hazardous waste fee return and payment due.

Last day of month

State horse wagering fee return payment due.

—Distribution of Taxes/Fees Collected by the Alabama Department of Revenue

Dritsient South	Gene	ral Edu	Ros	d & Con	nties Citi	es Mental	Cons	Junar Humar	Other
IT Agents' Occupational License Tax ST Automotive Dismantler License ST Automotive Recon/Rebuild Fee IT Business Privilege Tax T Coal Severance Tax (13.5¢ per ton ST Coal Severance Tax (20¢ per ton) ST Contractors' Gross Receipts Tax	All All (24)			(14)	(14)	85%			(25)
ST Dry Cleaning Trust Fund Fee IT Estate Tax	(4) 38.461% All	bal(4) 546.1549		250/	500/			15.385%	All
IT Financial Institutions' Excise Tax ST Forest Products' Severance Tax PT Freight Line R.R. Equipment Tax ST Gasoline Tax ST Gasoline Aviation and Jet Fuel	25% All		(3)	(3)	(3)		(3)		(2)
ST Hazardous Waste Fee ST Horse Wagering Fee ST Hydro-Electric K.W.H. Tax IN Illegal Drug Tax IT Income Tax	(22) All All (4)	42% bal(4)		(22)		58%			(22)
MV International Fuel Tax Agreement MV IRP Registration Fees ST Local Solid Minerals Tax ST Lodgings Tax ST Medicaid Nursing Facility Tax	(12)		(16) (13)	(16) (13) All (12)	(16) (13)				(17) (18) (12) (21)
ST Medicaid Pharmaceutical Services MVMiscellaneous Tags ST Mobile Comm. Services Tax	(26)	(26)	All	40	40			(26)	(21)
ST Motor Carrier Fuel Tax ST Motor Carrier Mileage Tax ST Motor Fuels (Diesel)			(16) bal(5) S	(16) S	(16) S				(17)
MV Motor Vehicle Title Fees ST Oil and Gas Privilege Tax ST Oil and Gas Production Tax (2%) ST Oil Lubricating Tax ST Oil Wholesale License Tax	All (6) All (7) All		(7)	(6) (7)	(6) (7)				
ST Pari-Mutuel Pool Tax ST Playing Cards Tax ST Rental or Leasing Tax ST Sales Tax	All All All (19)	Balanc	e \$	378,00	00		\$	1,322,000	(15)
IN Salvage Vehicle Inspection Fee ST Store License ST Tobacco Prod. (Cigarettes) Tax ST Tobacco Products (Tobacco) Tax FO TVA Electric	(10) All Balance	All		(10) (8)		(10)%	(10)	(10)	(15)
ST Underground and Aboveground St Tank Trust Fund Charge ST Use Tax ST Utility Gross Receipts Tax ST Utility License Tax (2.2%)	(20) 15%	Balanc Balanc			14	4,600,000 85%			(23)

FO – Financial Operations; IT – Individual and Corporate Tax Division; IN – Investigations; MV – Motor Vehicle; PT – Property Tax; ST – Sales, Use & Business Tax.

References to Fund Distributions

- (1) Applied to credit of Alabama State Docks Bulk Handling Facility Trust Fund to meet annual interest and bond retirement requirements. Balance distributed as follows: \$300,000, Alabama Mining Academy; \$500,000, Jefferson County General Fund; \$500,000, Tuscaloosa County General Fund; \$200,000 Walker County Economic, and Industrial Development Authority; remainder, General Fund.
- 100% Special State Forestry Fund administered by the State Forestry Commission.
- (3)Gasoline has a total 16-cent per gallon tax levy comprised of a 7 cent levy, a 5 cent supplemental levy, and a 4-cent levy. 1 & 23/100% of net collections of the 12-cent tax levy (7-cent and 5-cent supplemental tax levy) goes to Conservation (60% of the 35/100% to the State Water Safety Fund and 40% of the 35/100% to the Seafood Fund; 70/100% to the Game and Fish Fund; 60% of 18/100% to the State Water Safety Fund and 40% of the 18/100% to the Seafood Fund). The distribution to the Game and Fish Fund (70/100%) and the additional distribution to the Water Safety Fund and the Seafood Fund (18/100%) are deducted from the funds allocated to the State Road and Bridge Fund. These credits cannot diminish the allocations provided to the counties. Original 7cent levy - 45% of net tax proceeds goes to the State Road and Bridge Fund and 55% of the net tax proceeds goes to the 67 counties of which 10% of the counties' share is distributed to the cities. Supplemental 5-cent tax – 3/5 of the net tax proceeds goes to the State Road & Bridge Fund and 2/5 is distributed as follows: 45% State Road & Bridge Fund and 55% to counties of which 10% of the counties' share is distributed to the cities. Additional 4-cent tax levy – 100% of net collections (45% goes to the State Road & Bridge Fund and 55% goes to counties of which 10% of the counties' share is distributed to the cities).
- (4) Portion necessary to reimburse the Property Tax Relief Fund for homestead exemptions. Balance to Education Trust Fund.
- (5) Administrative cost to Public Service Commission.
- (6) Onshore Production:
 - 25%, General Fund; 75% balance distributed as follows: 66-2/3% distributed as follows: 25%, counties severed; 10%, cities severed; 50% of the first \$150,000 remaining to General Fund, 42.5%, counties severed, and 7-1/2%, cities; Remainder of 66-2/3%; 84%, General Fund; 14%, counties severed, 2%, cities; 16-2/3%, General Fund; 16-2/3%, Counties severed.
 - Offshore Production: 90%, General Fund, 10%, counties severed.
- 1935 Act 2 cents to the General Fund.
 1980 Act 4 cents: 45%, State Road and Bridge Fund; 55% to counties (10% of which is distributed to the cities).
- (8) TVA served counties, 75%; Dry non-served counties, 5%; General Fund, 20%.
- (9) Mental health facility construction; balance 30%, Health; 70%, Mental Health.
- (10) 38.82 as follows: 66.67%, General Fund; 12.12%, Special Mental Health Fund; 6.06%, 6.06% State Parks Development Authority; and 9.09% to IDA bonds, remaining to General and Mental Health Funds.
 - 6.18 as follows: \$2 million to counties to offset administrative costs; balance to General Fund

- (11) At the Revenue Commissioner's discretion, the Commissioner shall cease to make deposits to the General Fund so as to maintain the trust fund in which to make payment of claims. The trust fund shall retain an amount not greater than \$1,000,000. Persons dying intestate and leaving unclaimed funds: such funds go to Public School Fund.
- (12) 75% of 4% tax to the General Fund.
 25% of 4% tax to Alabama Bureau of Tourism and Travel.
 50% of 1% tax to Alabama Mountain Lakes Association. 50% of 1% tax to Alabama Mountain Lakes counties.
- (13) Of Alabama's share 64.75% to State Road and Bridge Fund; balance distributed to counties and municipalities.
- (14) Coal or lignite severed within police jurisdiction or municipal limits as they existed on Jan. 1, 1977: 50%, municipality where severed and 50%, county where severed. Coal or lignite severed other than within police jurisdiction or municipal limits: 100%, county where severed.
- (15) Administrative cost to Alabama Department of Revenue for Salvage Vehicle Inspection Program.
- (16) That portion attributable to the use of gasoline shall be distributed in the manner of the gasoline tax. That portion attributable to the use of motor fuels (diesel) shall be distributed in the manner of the motor fuels (diesel) tax.
- (17) Department of Aeronautics.
- (18) Prorated to participating states.
- (19) Sales tax on automotive vehicles 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to state parks and Foster Children Program.*
- (20) Use tax on automotive vehicles 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to Department of Conservation and Natural Resources.*
- (21) Alabama Health Care Trust Fund.
- (22) Pursuant to Act 92-658, \$500,000 of the base state fee shall be allocated annually to the "Alabama Legacy for Environmental Research Trust (ALERT)" fund, which shall be administered by the Alabama Department of Public Health, for funding environmental research and industrial/business environmental education programs.
- (23) 100% to the Alabama Underground and Aboveground Trust Fund.
- (24) A portion of the Business Privilege Tax will be distributed to each county and the remainder will go to the General Fund.
- (25) 15% to the Pensions and Security Trust Fund.
- (26) Appropriated amount for annual payment of principal and interest due to outstanding Alabama Revolving Loan Fund Authority bonds. \$1.5 million to Special Education Trust and remainder to the State General Fund.
 - *Effective Oct.1, 2002, the lesser of \$500,000 or entire amount to Human Resources. Balance to Department of Conservation and Natural Resources.

Revenue Related Acts 2004 Regular Session

Act 2004-112 (HB440)

Municipal Sales and Use Tax Exemption

Relates to Class 2 municipalities; to exempt from municipal sales and use taxation the gross proceeds from the sale or sales of materials or supplies used in fulfilling a contract for the painting, repair, conversion, modification, or reconditioning of aircraft of a certain weight if the materials and supplies enter into, and become a component part of, the aircraft.

The exemption provided in this act shall be applicable to all sales occurring on and after October 1, 2003.

Act 2004-245 (HB116)

Brownfield Development Tax Abatement

Provides local tax abatement for brownfield development properties that are voluntarily cleaned up pursuant to Chapter 30E of Title 22, Code of Alabama 1975, the Alabama Land Recycling and Economic Redevelopment Act.

Effective October, 1

Act 2004-292 (HB221)

Initial Registration/Proration of Certain Motor Vehicle Fees

Amends Sections 40-12-258 and 40-12-259, Code of Alabama 1975, relating to the registration of motor vehicles, providing for the payment of the annual registration fee when the vehicle has been stored and not used on the highways with certain exceptions; and providing for the registration fees to be prorated on a monthly basis when a vehicle is acquired or initially brought into Alabama.

Effective January 1, 2005.

Act 2004- 397 (HB529)

Telecommunications Services; Taxation Required if Nontaxable Services/ Charges cannot be Identified

Amends Sections 40-21-82 and 40-21-102, Code of Alabama 1975, relating to the taxation of telecommunications services to provide for the taxation of all bundled telecommunications service unless the service provider can identify the services that are not taxable.

Effective May 5, 2004.

Act 2004-490 (SB304)

Mortgage Recordation Tax Clarification

Amends Section 40-22-2, Code of Alabama 1975, to provide for recording fees on mortgages securing revolving lines of credit.

Effective August 1, 2004.

Act 2004-505 (HB303)

Income Tax refund Setoff for Court Costs

Amends Section 40-18-100, Code of Alabama 1975, relating to setoff debt collection, allowing the Unified Judicial System to setoff from an income tax refund the fines and court costs that are owed from certain taxpayers.

Effective May 17, 2004.

Act 2004-520 (SB81)

Motor Vehicles; Registration Fees and Ad Valorem Taxes on Motor Vehicles

Amends Section 40-12-248, Code of Alabama 1975, to create a new motor vehicle registration weight bracket for trucks of 8,001 to 10,000 pounds gross weight, and establishes a fee for the new weight bracket; amends Section 40-12-253, Code of Alabama 1975, to provide that any credit voucher may be immediately presented for credit against property taxes payable on any other motor vehicle or vehicles; increases the period for claiming a credit due; requires that any credit voucher issued be used at the time of issuance; provides for a credit refund when credit is not applied at time of issuance; and authorizes the issuance of certain distinctive plates for certain trucks.

Effective January 1, 2004.

Act 2004-529 (SB75)

Motor Vehicle Registration; Additional Time Allowed

Amends Sections 32-6-61, 32-6-65, 40-12-242, 40-12-260, and 40-12-264, Code of Alabama 1975, to provide for additional time in which to register a vehicle after acquisition.

Effective August 1, 2004.

Act 2004-532 (HB266) Nursing Facility Privilege Tax

Amends Sections 40-26B-21 and 40-26B-26, Code of Alabama 1975, relating to the privilege tax on nursing facilities to increase the supplemental privilege tax for each bed in a nursing facility from \$200.04 to \$900.00, and increase the nursing facility provider's cap on actual allowable, reported direct cost per patient day from cost plus 10 percent to cost plus 11 percent.

Effective May 17, 2004.

Act 2004-534 (SB344)

Off-Site Motor Vehicle Sales by Dealers Authorized

Amends Sections 40-12-390, 40-12-395, and 40-12-400, Code of Alabama 1975, relating to the sales of new and used motor vehicles, to provide that dealers of new and used motor vehicles may conduct sales from locations off-site of their permanent location under certain circumstances, and provides for increased fines for certain violations.

Effective May 17, 2004.

Act 2004-537 (HB657)

Constitutional Amendment: Excise Tax in-lieu of Certain Ad Valorem Taxes

Proposed amendment to Amendment 93, as amended, to provide for the levy of an excise tax in lieu of a property tax on certain motor vehicles (see Act 2004-550), and to provide for the distribution of the excise tax.

Effective upon voter approval.

Act 2004-545 (HB716)

Increased Tobacco Products Taxes

Amends sections 40-25-2 and 40-25-23, Code of Alabama 1975, to

increase the rate of tax on all cigarettes and other tobacco products sold in Alabama; provides that the increased tax shall be exclusive, and in lieu of, future local taxes on cigarettes and other tobacco products; requires local cigarette taxes to be collected through the use of stamps; and provide for the distribution of revenue.

Effective May 18, 2004.

Act 2004-546 (HB317)

Diesel Fuel Excise Tax and Exemption

Amends Sections 8-17-87, 8-17-91, 40-17-220 and 40-17-222 to exempt diesel fuel, subject to excise taxes, from the \$.02 per gallon Agricultural inspection fee; to increase the excise tax to a total of \$.19 per gallon; and provide for the distribution of revenues.

Effective October 1, 2004.

Act 2004-550 (HB658)

Excise Tax on Certain Motor Vehicles in-lieu of Ad Valorem Tax

Amends Sections 40-9-1, 40-12-252, and 40-12-268, Code of Alabama 1975, relating to the registration and taxing of certain motor vehicles; to revise the registration of certain trucks and truck tractors based in Alabama, and those vehicles registered under the International Registration Plan, and truck trailers, tractor trailers, and semitrailers; to remove the priperty tax liability and substitute an excise tax applicable to certain vehicles, irrespective of base, that are doing business in Alabama; and to provide for a permanent trailer registration plate in certain circumstances.

This act shall become effective if under the constitutional amendment proposed by Act 2004-537 (House Bill 657 of 2004 Regular Session), which provides that the Legislature can levy an excise tax on motor vehicles, is ratified.

Act 2004-554 (HB34)

Motor Vehicle Registration Timing

Amends Section 32-6-61, Code of Alabama 1975, to revise Alabama's motor vehicle staggered registration law by shifting the expiration date from the last day of the month "previous" to the designated renewal month, to the last day of the designated renewal month; and provide further for the application of the law.

Effective January 1, 2005.